

OPENING STATEMENT

MARY ROSE OAKAR, CHAIR

SUBCOMMITTEE ON COMPENSATION AND EMPLOYEE BENEFITS

OVERSIGHT HEARING - FY 1984 BUDGET PROPOSALS

FEBRUARY 16, 1983

THIS MORNING THE SUBCOMMITTEE BEGINS HEARINGS ON PRESIDENT REAGAN'S FY 1984 BUDGET PROPOSALS, SPECIFICALLY THOSE THAT AFFECT FEDERAL WORKERS AND RETIREES. AFTER A CAREFUL REVIEW OF THESE PROPOSALS, IT IS CLEAR TO ME THAT THESE BUDGET RECOMMENDATIONS, WHICH WOULD DENY FEDERAL WORKERS ANY PAY INCREASE WHATSOEVER WHILE DESTROYING THEIR RETIREMENT PROGRAMS, ARE MORE THAN AN AFFRONT TO FEDERAL WORKERS AND RETIREES. THESE PROPOSALS ARE A DEMONSTRATION OF THE INDIFFERENCE AND UNFAIRNESS THIS ADMINISTRATION HAS FOR ALL AMERICAN WORKERS AND RETIREES.

THE ADMINISTRATION JUSTIFIES THE PROPOSALS ON THE GROUNDS THAT ALL AMERICANS MUST SHARE EQUALLY IN THE CUTS NECESSARY TO REDUCE THE FEDERAL DEFICIT. LET ME REMIND THE ADMINISTRATION THAT FEDERAL WORKERS AND RETIREES HAVE ALREADY GIVEN BACK OVER \$14 BILLION IN LOST PAY AND BENEFITS IN THE PAST THREE FISCAL YEARS ALONE.

LET ME REMIND THE ADMINISTRATION THAT THE PRESIDENT'S OWN ADVISORY COMMITTEE ON FEDERAL PAY HAS DECLARED FEDERAL WORKERS OVER 14 PERCENT BEHIND THE PRIVATE SECTOR IN PAY ALONE. A FEDERAL PAY FREEZE, COMBINED WITH THE PUNITIVE RETIREMENT CHANGES, WILL DESTROY THE CAREER CIVIL SERVICE SYSTEM JUST AS SURELY AS IF SUDDENLY ALL OF TITLE 5 OF THE UNITED STATES CODE WAS REPEALED AND THE GOVERNMENT RETURNED TO THE SPOILS SYSTEM.

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I THINK THESE PROPOSALS ARE WRONG. I THINK THEY WILL HAVE A DISASTROUS IMPACT ON THE FEDERAL WORKFORCE, THEY WILL DRIVE THE BEST PEOPLE OUT OF GOVERNMENT, AND THEY WILL DISCOURAGE OTHERS FROM PURSUING IT AS A CAREER IN THE FIRST PLACE. THESE BUDGET PROPOSALS, ASIDE FROM CREATING FEAR AND ANXIETY THROUGHOUT THE WORKFORCE, CONTAIN FEW SPECIFICS.

THEREFORE, I AM PLEASED WE HAVE AS OUR WITNESS TODAY DR. DONALD J. DEVINE, DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT AND THE PRINCIPAL AUTHOR OF MOST OF THESE PROPOSALS. I HOPE HE WILL SHARE WITH US SOME ADDITIONAL DETAILS ON THESE LEGISLATIVE INITIATIVES.